

CITY OF MIAMI BEACH
Office of the City Manager
Letter to Commission No. 218-2005



To: Mayor David Dermer and
Members of the City Commission

Date: August 11, 2005

From: Jorge M. Gonzalez
City Manager

A handwritten signature in black ink, appearing to read "Jorge".

Subject: CITY OF MIAMI BEACH JOB ORDER CONTRACTING (JOC) SYSTEM RECEIVES TOP HONOR FOR BEST PRACTICE IN PUBLIC PROCUREMENT.

The purpose of this LTC is to inform you that the National Institute of Governmental Purchasing (NIGP), at its 60th Annual Forum and Products Exposition, announced that the City of Miami Beach's Job Order Contracting (JOC) System received top honor for the best practices in public procurement.

Organized in 1944, NIGP is an international not-for-profit educational and technical organization of public purchasing agencies. NIGP is composed of 70 affiliate chapters and more than 2,100 agency members representing federal, state and local government levels throughout the United States and Canada. These agencies represent over 12,000 individuals serving the public procurement community.

NIGP's Presidential Citation for Excellence and Outstanding Achievement "Best Practices" Award recognizes efficient, effective and economical ways to achieve current procurement activities. The City of Miami Beach's JOC System was announced at NIGP's 60th Annual Forum and Products Exposition as the top winning entry.

NIGP recognized the City's JOC system as a bold solution to a complex problem shared by most governmental agencies -- achieving timely and cost effective construction services. The City's JOC system was considered an innovative contracting system to enhance responsiveness while providing a higher level of quality work at a lower cost.

The City's JOC system has issued 131 projects in a period of 24 months totaling \$22,922,248.25. The number of construction projects initiated and awarded via JOC in the aforementioned two-year period (131 projects), is greater than the total number of construction projects awarded via traditional bidding (78) in the past five years! Additionally, there have been no contractor-initiated change orders or litigation on *any* JOC project.

Under JOC the contractor jointly scopes the work with the City and any misunderstanding or confusion is openly discussed and resolved *prior* to the issuance of a Notice to Proceed. If a question arises during the proposal development the contractor is free to contact the City's representative and get the appropriate answers. This non-adversarial relationship eliminates the underlying cause of most claims and change order requests.

Since the structure of the JOC is a series of sequential work orders, the contractors have an on-going financial incentive to produce quality projects. If the contractor fails to maintain the desired level of quality, the City can elect to give future projects to other JOC contractors.

Please advise if additional information is needed.

JMG\PDW\GL

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